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450,000 MEMBERS

THE PRODUCTION CREDIT SYSTEM

Progress Since Organization

The Production Credit System has grown consistently since it was established in 1933 and now constitutes an important part of the short-term agricultural credit facilities of the Nation.

More than 450,000 farmers and ranchers are member-stockholders of the production credit associations. They own \$61,940,000 of the capital stock of their associations.

Fifty-six associations had repaid all their Government capital and were completely member-owned on July 1, 1949. In 138 other associations, members own more than 75% of the capital stock.

The production credit associations had total accumulated earnings of \$54,428,000 on June 30, 1949.

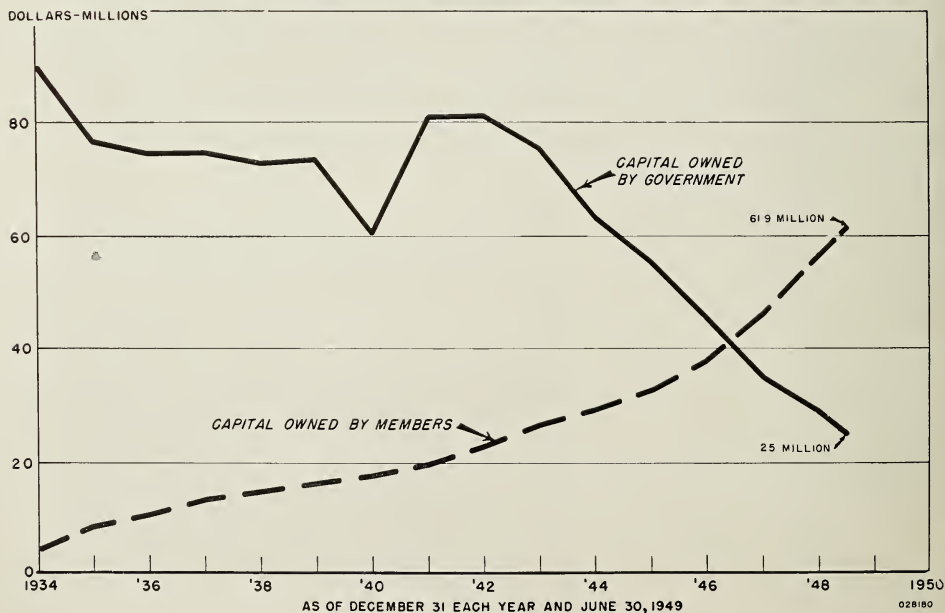
Of the \$120,000,000 of Government capital originally invested in the system, \$73,765,000 has been returned to the United States Treasury, \$30,000,000 going into the surplus fund of the Treasury and the balance into the revolving fund. The remainder of the original fund is intact and supported by substantial reserves.

Credit losses since organization have been less than 1/10 of 1 percent of the \$5,766,844,000 total cash advanced.

Farmers and ranchers generally have benefited from the "pace-setting" accomplishments of the system through the influence of the associations on interest rates and loan terms of other lenders.

July 1, 1949

PROGRESS TOWARD COMPLETE MEMBER OWNERSHIP OF PRODUCTION CREDIT ASSOCIATIONS



The Production Credit System

Its Purpose, Progress, and Method of Operation

The Production Credit System includes 503 local production credit associations with a membership of more than 450,000 farmers and ranchers, 12 district production credit corporations and the Production Credit Division in the National offices of the Farm Credit Administration in Washington, D. C. The associations, which make short-term agricultural loans throughout the continental United States and Puerto Rico, obtain loanable funds from the 12 Federal intermediate credit banks. The production credit corporations supervise the associations within their respective districts and partially capitalize those associations which are not completely member-owned. The Production Credit Division coordinates and supervises generally the activities of the corporations.

This permanent short-term agricultural credit system, to be operated and eventually owned by the farmers and ranchers themselves, was authorized by the Congress in the Farm Credit Act of 1933. Experience had shown that insufficient capital, inadequate supervision, lack of understanding of the farming and ranching business, and dependence on local resources generally for loanable funds were serious weaknesses in agricultural lending. The structure for the Production Credit System was designed, therefore, to provide safeguards which would

minimize these weaknesses.

To assure adequate capitalization for the system, the Congress originally appropriated \$120,000,000. No part of this fund has ever been loaned, none has been lost, \$73,765,000 has been returned to the United States Treasury and the remainder is intact and safeguarded by substantial reserves. It is the aim of the system to build strong, permanent short-term credit cooperatives . . . production credit associations . . . as contemplated by the Congress, and to continue the orderly return of this Government capital to the Treasury as it becomes possible through the accumulation of member-owned capital and reserves adequate to meet the requirements of the system.

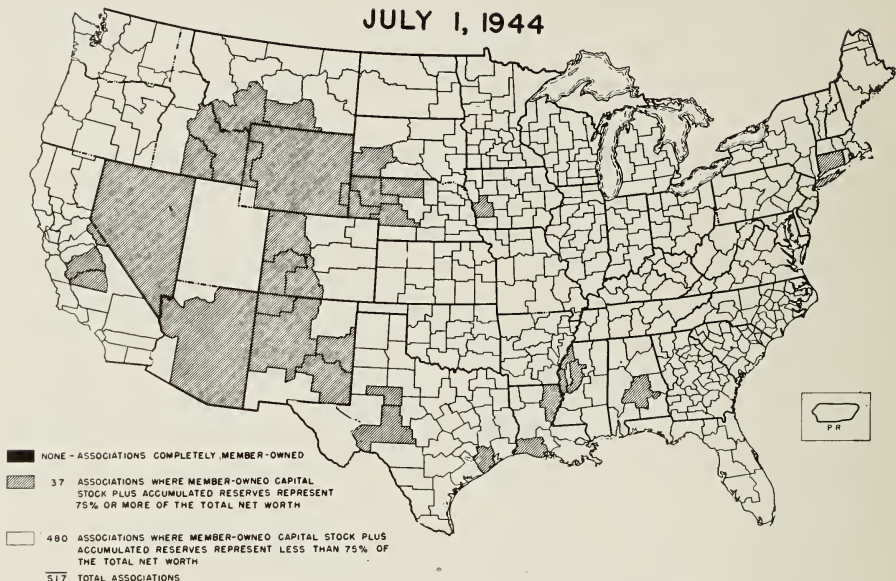
While providing necessary supervision of the associations, there has been kept prominently in mind the ultimate objective of complete local ownership and the desirability of association directors, officers, and employees assuming fully the responsibility of conducting the affairs of their associations within the policies of the system. The manner in which supervisory duties are performed and the type of training programs that are carried on by the production credit corporations are designed to familiarize directors and employees with their responsibilities and enable them to properly perform their work. The association

directors and employees generally are accepting and performing their duties in a very commendable manner. This has made it possible for

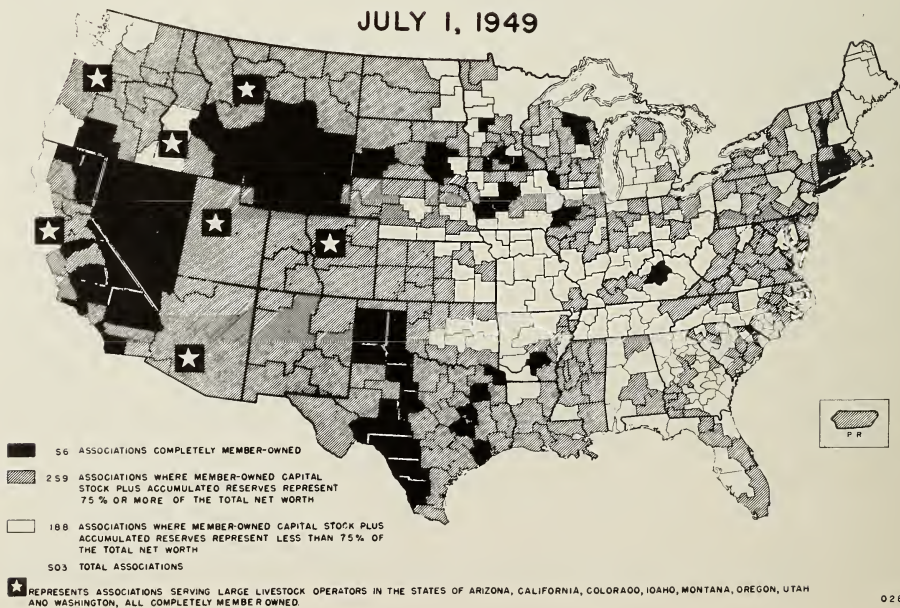
the corporations and the Production Credit Division to function to a considerable extent on the basis of counsel and guidance.

PROGRESS IN MEMBER OWNERSHIP PRODUCTION CREDIT ASSOCIATIONS

JULY 1, 1944



JULY 1, 1949



The system has made available generally to farmers and ranchers throughout the country, for the first time, a budgeted loan service. This service provides complete short-term financing for a full production and marketing period, with the proceeds being disbursed as needed and repaid as products are marketed. In addition to the benefits which have accrued directly to association members, the Production Credit System has had a beneficial influence on the terms and conditions of loans made by other lenders of short-term agricultural credit. These developments have resulted in a saving of interest cost and an improved credit service to farmers generally.

Progress In Member Ownership

When the production credit associations began operations in 1933-34 they were almost completely capitalized with stock owned by the production credit corporations (Government stock) and had no reserves. Directors and employees generally were untrained in the administration of this specialized type of lending. Farmers and ranchers now own more than \$61,940,000 of stock in their associations, which is more than twice the amount of association stock owned by the corporations. The associations have accumulated reserves of more than \$54,428,000, making a total capital of \$116,369,000, exclusive of corporation-owned capital. This total of member stock and accumulated reserves on June 30, 1949, represented 82.3 per cent of the combined net worth of all associations. Thus, the 450,000 stockholder - members are

demonstrating that they want to take full advantage of the opportunity which the Congress gave them to establish their own permanent short-term credit system.

Most of the associations have developed long-range financial plans as a basis for building up sufficient member-owned stock and reserves to take care of their capital requirements. In working out such a plan, an association considers all important phases of its business pertaining to the need for capital stock and reserves. For example, when objectives are set for total capital stock and reserves and the rate at which they should be built up, particular thought is given to the lending hazards of the area and the probable future demand for credit. In many associations this planning has resulted in an offering of class A stock for purchase by the members and increased spread of interest income, to build reserves more rapidly. From time to time these plans are revised in line with current developments.

The associations are following policies which have as their purposes the establishment of sound financial institutions. The table at the top of page 6 shows the progress of the associations as a whole toward member ownership and in building reserves from accumulated earnings.

As the investment of local stockholders and accumulated earnings have increased, particularly during recent years, the associations have been able to retire substantial amounts of stock owned by the corporations. By June 30, 1949, the stock investment of the corporations in the associations had been reduced

SIX YEARS' PROGRESS OF PRODUCTION CREDIT ASSOCIATIONS TOWARD COMPLETE MEMBER OWNERSHIP

Member-owned	As of July 1		
	1943	1946	1949
A stock	\$ 1,323,000	\$ 5,737,000	\$ 15,308,000
B stock	23,865,000	29,770,000	46,633,000
Reserves	27,030,000	37,059,000	54,428,000
Total reserves and member stock.....	52,218,000	72,566,000	116,369,000
PCC capital in all PCA's.....	78,779,000	47,937,000	24,995,000
No. assn's completely member-owned	0	2	56

to \$24,995,000. There is an increasing interest on the part of farmers and stockmen in having their associations achieve complete local ownership. In order that the retirement of corporation-owned stock might be hastened, 68,000 members have purchased additional class A stock amounting to \$10,050,000. Fifty-six associations have retired all stock owned by the production credit corporations and thus are

completely member-owned. Several more associations expect to reach this objective at an early date and most of the other associations have made substantial progress in retiring the corporation-owned stock. As a result, the total corporation investment in association stock has been reduced to less than one-third its peak. Thus the associations have gone a long way toward complete member ownership.

PROGRESS IN RETIREMENT OF GOVERNMENT CAPITAL

DECEMBER 31, 1934

JUNE 30, 1949

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Production Credit Associations

Organization and Management

Production credit associations are chartered by the Governor of the Farm Credit Administration under authority of the Farm Credit Act of 1933. Each association has two classes of capital stock: class A (non-voting) stock held by the Government through the production

credit corporations, and also owned by farmers and other investors; and class B (voting) stock acquired by members in connection with their loans. Therefore, the associations which have not yet repaid all Government capital are partially capitalized by the production credit corporations and partially by farmers and stockmen.

Each holder of class B stock has one vote regardless of the number of shares he owns. Class A stock is preferred as to assets in case of liquidation, but both A and B stock share proportionately in dividends. Losses, if in excess of reserves, are chargeable against the B stock before the A stock is impaired.

To borrow from an association, a farmer or rancher must become a member of the association and own class B stock in an amount equal to \$5 per \$100 or fraction thereof of his loan. After repayment of the loan this stock may be, and generally is, retained and used for subsequent borrowings. If a stockholder desires to discontinue his membership after his indebtedness to the association has been repaid, he may list his stock for sale to another eligible borrower. Members who have not borrowed from the association for two years must exchange their B stock for non-voting A stock. In this way, control through the voting privilege is limited to the active members whose stock bears the primary risk of loss should reserves prove to be inadequate.

At their annual meetings the class B stockholders elect the association directors from their own number. The board of directors, which generally consists of five members elected for staggered 3-year terms, selects the association's officers and hires the employees. The secretary-treasurer, who cannot be a director, is the managing officer of the association. The directors and officers of the association have the responsibility for carrying on all phases of its business, including the making, servicing, and collection of loans.

Two of the association's directors and the secretary-treasurer serve as a loan committee. This committee takes final action on all applications for loans with the exception of loans to directors and officers, and loans above a certain size. Such loans also must be approved by the production credit corporation and in some instances by the Production Credit Commissioner.

Territory and Field Service

Most of the associations serve several counties comprising one or more established trade areas. The objective was to provide each association with a territory of sufficient size that its volume of business would enable it to become self-supporting and eventually to be completely member-owned.

To make their services readily accessible to farmers and stockmen within their area, the production credit associations, in addition to their 503 central or headquarters offices, maintain approximately 696 full-time field offices. At more than 824 other towns in their territories, the associations have field offices on a part-time or seasonal basis or maintain other form of representation.

A large number of production credit associations have joint or adjacent offices with national farm loan associations through which Federal land bank (long-term real estate) loans are made. Also, in some instances they have joint employees. Generally, throughout the country, there is a close working relationship between these associations and in many instances each as-

sociation performs services for the other. This makes the credit facilities of both institutions more convenient for farmers and stockmen.

Loan Purposes

Production credit associations provide short-term financing for all types of farm and ranch operations to those who can qualify under sound credit policies. The principal purposes for which loans are made include the breeding, raising, and fattening of livestock and poultry; dairying; the growing, harvesting, and marketing of crops; the purchase and repair of farm machinery; refinancing short-term debts; and supplying other farm and family credit needs.

Lending Procedures

The associations endeavor to supply complete short-term financing of an individual's business, making the funds available at the time they are needed and arranging for orderly repayment as the farm or ranch income is received. To set up a loan that will properly meet the applicant's needs throughout a production period requires a careful analysis of the operation by persons who are well trained and know what is necessary to carry on such a business successfully. The practical knowledge of farming and ranching which association directors and employees have, supplemented by training work carried on with the assistance of the production credit corporations, enables them to extend constructive credit service which will assist members to improve their financial position.

The procedure followed by pro-

duction credit associations in making new loans is ordinarily as follows: The applicant outlines his farming program, states his credit needs, develops a plan for repaying the loan, and furnishes a financial statement and other information pertaining to his business. It is the general practice for a representative of the association to visit the farm or ranch and obtain firsthand information concerning the farming setup and the value of the personal property to be given as security for the loan. His credit rating and general standing in the community are determined. There is careful consideration of the repayment ability of the farming or ranching business as developed by an analysis of necessary costs and probable income from which debts can be repaid without requiring the sale of chattels essential to the continuation of the business. The application and field report are then referred to the association loan committee. If approved, the loan proceeds are made available to the applicant after necessary legal papers are signed. Associations are usually able to close loans to new members within a very few days, and to give immediate service to old members who have a sound operation and have handled their previous credit satisfactorily.

Security Requirements

A first lien on crops, livestock, or equipment is the usual security for most loans although some loans are made without chattel security. The associations endeavor to adjust their security requirements in line with sound business practice. It is the general practice to increase security

requirements as the risk increases. It is not the practice of the associations to make loans solely on the strength of the security offered, endorsements, or other contingent sources of liquidation, if the loan is in excess of the capacity of the business to repay.

Maturity of Loans

Loans are generally made to mature within one year. Advances to meet expenses of a current or annually recurring nature are expected to be repaid from the current year's income. Renewal of a portion of some types of loans, such as those for the purchase of heavy machinery and other items of a semi-capital nature or those involving the refinancing of debts, is frequently anticipated at the time the loans are made. If at maturity the credit factors re-

main satisfactory, the unpaid balance may be renewed. This policy permits spreading the repayment of capital loans over more than one year, if necessary, thereby gearing repayment to the earning capacity of the farm or ranch business. Associations encourage members to pay debts as rapidly as is consistent with sound business operations and to use surplus cash to buy Government bonds or otherwise to strengthen their financial position.

Budgeting of Loans

Loans are generally disbursed in installments as needed by the member and repaid when the products financed are sold. A budgeted loan serves the farmer or rancher in many ways. It assures the member that the funds will be available as needed to meet necessary costs;

TYPICAL EXAMPLE OF A BUDGETED LOAN

Date	Purpose of advance or source of repayment	Amount advanced	Amount repaid	Balance outstanding	Days outstanding	Interest at 5½%
January 10....	3 cows\$600 labor 50 fertilizer 150 real estate interest 175	\$ 975		\$ 975	85	\$12.49
April 5.....	seed\$125 fuel 125	250		1,225	71	13.11
June 15.....	feed\$150 fencing 175 real estate interest 175	500		1,725	5	1.30
June 20.....	14 hogs		\$ 700	1,025	56	8.65
August 15....	taxes\$125	125		1,150	21	3.64
September 5	labor\$150	150		1,300	96	18.81
December 10	sale of corn....		750	550	10	.83
December 20	11 hogs		550			
Total.....		\$2,000	\$2,000			\$58.83

it reduces greatly the interest expense since interest is charged only for the actual number of days each dollar is outstanding; it saves time and expensive trips; and it provides for orderly retirement of the loan as products are sold. The analysis of credit requirements and repayment ability incident to setting up a loan of this type helps prevent farmers from overborrowing.

On page 9 is an example of how a member used a budgeted loan and how it influenced the amount of interest he paid. In this case the member was financed over a period of nearly 12 months for a total amount of \$2000 at a total interest cost of \$58.83, which amounts to \$2.94 for each \$100 used.

Source of Loan Funds

After loans are made, the association submits the members' notes bearing its endorsement, and accompanied by chattel mortgages and other related loan papers, to the Federal intermediate credit bank of the district for rediscount. On accepted loans, the bank remits to, or credits the association with, the amount which has been disbursed. Loans rejected are returned to the association and carried by it.

The Federal intermediate credit banks obtain the major portion of their loanable funds through the sale of their debentures . . . short-term securities . . . to the investing public. These debentures are not guaranteed by the Federal Government as to either principal or interest, but are the joint and several obligations of the 12 banks. They are required to be secured by agricultural loans, cash, or United States

Government obligations having a face value at least equal to the debentures outstanding. Such collateral security is deposited with the farm loan registrar of the district. Each registrar is a bonded public official appointed by the Farm Credit Administration. The Federal intermediate credit banks have been marketing their debentures since 1923. Over the quarter century their debentures have become recognized in the investment markets as prime short-term securities.

Cost of Loans

It is the aim of the production credit associations to provide credit to members at the lowest cost consistent with sound business practices and proper safeguards for the future. Interest is charged only for the days each dollar is outstanding and is collected at the time the member's loan is paid or renewed.

The associations pay interest on all loanable funds obtained from the credit banks and during 1948 the discount rate varied from 2 to 2¼ per cent. During that year most of the associations charged their members an interest rate of either 5 or 5½ per cent per year, which was from 3 to 4 per cent above the discount rate charged by the credit bank of the district for loanable funds. The association's spread in the interest rate is to cover operating costs and build reserves.

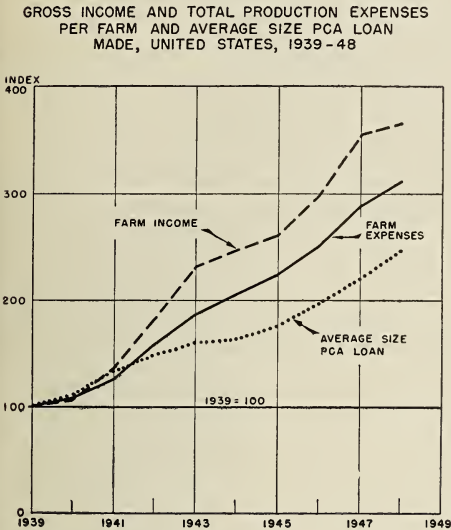
In addition to interest, most of the associations charge loan service fees. These fees relate to the cost of inspecting the borrower's farming operations and of other field service, setting up loan papers, searching lien records, and recording se-

curity instruments. Loan service fees vary among associations and are largely determined by local conditions and the size of loans.

The total loan cost to members is therefore determined by the rate of interest, the loan service fees and the time the money is actually used. In 1948, interest and fees together for all associations amounted to 5.67 per cent per year on the average balance of loans outstanding.

Size of Loans

The trend in the average size of loans made by production credit associations and the trend in farm income and expenses during the period 1939-48 are shown by the accompanying chart.



Volume of Loans

The number and amount of loans made and the highest and lowest month-end amounts outstanding during the last three years follow:

Year	Number loans made	Amount loans made	Highest balance outstanding	Lowest balance outstanding
1946	228,413	\$614,613,000	\$304,745,000	\$208,283,000
1947	251,178	757,611,000	369,187,000	245,132,000
1948	274,397	924,314,000	474,291,000	316,291,000

Loan Losses

During the 15 years from the organization of production credit associations to the end of 1948, which has been a period of generally favorable agricultural prices, the repayment record on their loans has been very good. Total losses and estimated losses of all associations aggregated less than 1/10 of 1 per cent of the total of more than \$5 billion of cash advances made during that period.

Income and Expenses

An association's income from loans and investments is used to defray its interest expense on loanable funds obtained from the credit bank and other operating expenses, to absorb any losses on loans, and to create and maintain necessary reserves. Practically all of the capital funds of an association, including its accumulated earnings, are invested in U. S. Government bonds. Most of the bonds owned by the associations are pledged with the Federal intermediate credit banks as additional collateral to support their loans and discounts.

For the year 1948, the associations had net earnings after losses and recoveries of \$6,949,101. Only \$789,-963 of income for that year was from interest on securities purchased with proceeds of class A stock owned by the production credit corporations. More than 99 per cent of the associations had sufficient income from membership sources alone to pay all their interest and operating expense.

Dividend Payments and Patronage Refunds

In keeping with the policies of the system and the requirements of the Farm Credit Act, no dividends were paid by any association until the close of 1940 when 8 associations made their initial distribution to stockholders. This number increased to 45 in 1948. A much larger number of associations had established the required reserves, yet they preferred to forego the payment of dividends in order to accumulate still larger reserves to insure further the stability of their associations.

Eleven of the wholly member-owned associations made refunds of interest collected during 1948 to borrowing members on a patronage basis after paying all operating expenses, including taxes, interest expense, and dividends, and after making necessary additions to their reserves. In this manner these associations, after building sufficient capital and reserve strength, have

been able to develop further the cooperative principles on which the system was established.

Taxation

All real property, as well as tangible personal property, owned by any production credit association is subject to Federal, State, and local taxation. The associations also are required to pay any Federal manufacturers' excise taxes. While a production credit corporation owns any part of an association's capital stock, the Farm Credit Act of 1933 exempts the association from other Federal, State, or local taxation. Associations that are completely member-owned pay Federal, State, and local taxes like other comparable privately owned businesses.

Examinations

The associations are required by law to be examined at least once each year by examiners designated by the Governor of the Farm Credit Administration. The cost of these examinations is assessed to the associations.

Production Credit Corporations

The twelve production credit corporations, wholly Government-owned institutions, have three principal functions: to organize, to provide supplemental capital through the purchase of class A stock, and to supervise generally the production credit associations in their respective districts. Over a period of years prior to 1933 experience had shown that insufficient capital, inadequate supervision, and the lack of a dependable source of loanable funds had been weaknesses in the short-term agricultural credit field.

The district boards of the Farm Credit Administration have primary supervisory authority over the affairs and policies of the corporations. These boards, which are representative of the agricultural interests of the district, work with officials of the Washington office in establishing broad policies and in determining that such policies are well adapted to local situations.

A major function of the corporations is to give guidance and assistance to the associations in their credit, procedural, and membership

activities. The corporations sponsor plans for the complete local ownership of associations and have been primarily responsible for the training of association directors and officers and of certain employees having specialized duties. In addition to working with individual associations, representatives of the corporations meet with association directors and officers in group conferences for discussion designed to aid the associations in accomplishing the purposes for which they were established including the further improvement of their services.

The corporations make studies of various phases of association operations and to aid in solving problems and improving personnel efficiency. As a part of the required annual examination, the corporations make a credit analysis of the loans of each association once a year. This places them in position to give assistance and guidance to the associations in developing and maintaining sound and constructive lending policies. They also advise and counsel with the associations concerning membership relations and activities and problems relating thereto.

The credit requirements of the area served by each association are checked from time to time by the corporations to determine whether the proper kind of service is being rendered. At times it is considered advisable by the corporations and the associations to effect changes in the territory served by individual associations or to bring about liquidation or consolidation of uneconomic units.

The corporations perform their

supervisory duties in a manner designed to help the farmers and stockmen assume, progressively, greater responsibility in managing the affairs of their associations and in building necessary capital strength in the form of locally owned stock and accumulated reserves. With the leadership of the corporations, most of the associations have developed long-range financial plans for the orderly retirement of all Government capital.

During the early years of the system, the total amount of stock in the corporations subscribed and paid for by the Governor of the Farm Credit Administration on behalf of the United States was \$120,000,000. After 10 years of operation and in keeping with the long-range plans of the system, in April 1944, \$5,000,000 of capital stock was returned by the 12 production credit corporations to the revolving fund of the United States Treasury. An additional repayment has been made during each succeeding year. A total of \$43,765,000 has been repaid to the revolving fund of the U. S. Treasury and a further payment of \$30,000,000 was made to the surplus fund of the Treasury during the first half of 1949. By reason of these repayments, the paid-in Government capital of the corporations had been reduced to \$46,235,000 on June 30, 1949. The \$17,141,000 accumulated surplus of the corporations approximated 1.0 per cent per year on the average amount of Government capital funds invested in the corporations.

The capital funds of the production credit corporations not invested in association class A stock are in-

vested in U. S. Government bonds. This adds greatly to the stability and financial strength of the system.

The income of the corporations from their investments is their primary revenue and it has been used to defray their operating expenses, to pay their proportion of the supervisory costs of the Farm Credit Administration, and to build reserves. As a part of their investment income, the corporations receive dividends on their holdings of class A stock when declared and paid by production credit associations.

Annual budgetary estimates of the expenses and operations of each corporation are made by its board of directors. Combined budgetary estimates for the 12 corporations as a group are acted upon annually by the Congress, which establishes a limitation as to the amount of the

funds of the corporations which may be used for their administrative expenses. Since the corporations are wholly Government owned, other phases of their operations are subject to requirements of certain Federal laws and regulations.

The progress of the system in accomplishing its purposes and objectives has demonstrated that the type of supervision being given by the corporations is necessary from the standpoint of sound credit service to agriculture and the proper development of the associations into strong locally owned and managed business institutions. The fact that many association directors, when making plans for complete member ownership, have requested assurance that the corporation will continue its supervisory work indicates the value which associations see in this type of supervision.

Production Credit Division

The office of the Production Credit Commissioner was created by the Farm Credit Act of 1933 and is one of the administrative divisions of the Farm Credit Administration in Washington, D. C. Under the general direction of the Governor of the Farm Credit Administration, the Production Credit Division supervises the 12 production credit corporations and assists them in carrying out sound policies and procedures. The cost of maintaining the Production Credit Division, as well as compensation to other divisions of the Washington offices of the Farm Credit Administration for services rendered to the Production Credit System, is as-

sessed to the corporations and paid from their corporate funds.

Looking Ahead

After experiencing a period of favorable income, agriculture generally is confronted with many adjustments incident to a decline in prices received. As a result, production credit associations are receiving an unprecedented volume of loan applications. This is due to several reasons. First of all, farmers like the particular type of credit service provided by associations. Second, many members who have not needed to borrow for some time are seeking credit; and, third,

a considerable number of applicants are being referred to the associations by other lenders.

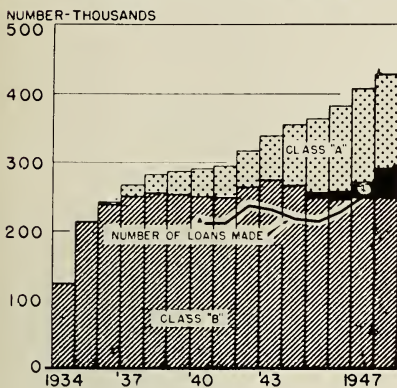
The Production Credit System constitutes an important part of the short-term agricultural credit facilities of the Nation, and the responsibilities of the corporations to provide constructive leadership and proper supervision of the lending activities of the associations never were as heavy or had as far-reaching significance as at present.

Many associations are finding it

necessary to increase their estimates of locally owned capital and reserves required to meet the sound credit needs of their territories. The members are keenly interested in the welfare of the system and are responding splendidly to the need for additional capital and in support of sound lending and operating policies. The associations face the future with confidence because of the ability and experience of their directors and employees, and the loyal support of their members.

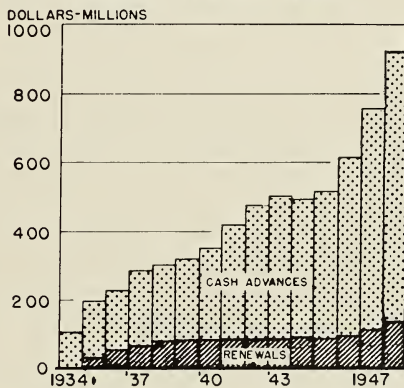
PRODUCTION CREDIT ASSOCIATIONS SUMMARY OF SELECTED DATA 1934 THROUGH 1948

NUMBER OF STOCKHOLDERS AND
NUMBER OF LOANS MADE

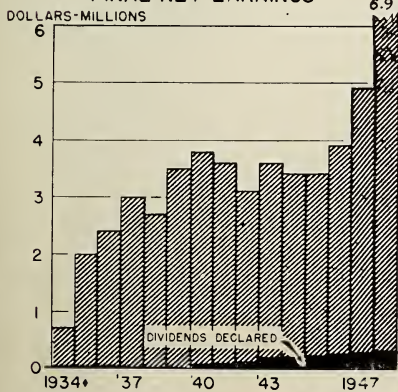


*Data prior to 1940 not comparable with those for subsequent years.
*Represents number owning both class "A" and "B" stock. Data not available prior to 1945.

AMOUNT OF LOANS MADE

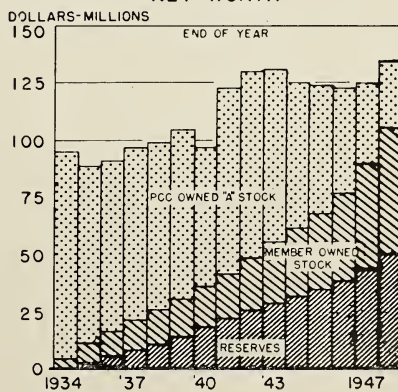


FINAL NET EARNINGS



*Organization through 1934

NET WORTH



Production Credit Corporations

Production Credit Corporation of Springfield

Springfield, Massachusetts
Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, and New Jersey

Production Credit Corporation of Baltimore

Baltimore, Maryland
Pennsylvania, West Virginia, Virginia, Delaware, Maryland, the District of Columbia, and Puerto Rico

Production Credit Corporation of Columbia

Columbia, South Carolina
North and South Carolina, Georgia, and Florida

Production Credit Corporation of Louisville

Louisville, Kentucky
Tennessee, Kentucky, Indiana, and Ohio

Production Credit Corporation of New Orleans

New Orleans, Louisiana
Louisiana, Mississippi, and Alabama

Production Credit Corporation of St. Louis

St. Louis, Missouri
Illinois, Missouri, and Arkansas

Production Credit Corporation of St. Paul

St. Paul, Minnesota
North Dakota, Minnesota, Wisconsin, and Michigan

Production Credit Corporation of Omaha

Omaha, Nebraska
South Dakota, Wyoming, Nebraska, and Iowa

Production Credit Corporation of Wichita

Wichita, Kansas
Kansas, Oklahoma, Colorado, and New Mexico

Production Credit Corporation of Houston

Houston, Texas
Texas

Production Credit Corporation of Berkeley

Berkeley, California
California, Nevada, Utah, and Arizona

Production Credit Corporation of Spokane

Spokane, Washington
Washington, Montana, Oregon, and Idaho

The name and address of the production credit association which serves a particular area may be obtained from the production credit corporation of that district, or from the Production Credit Division, Farm Credit Administration, Washington 25, D. C.

Other Types of Cooperative Credit Obtainable Through Agencies of the Farm Credit Administration

Long-term farm mortgage loans, suited to the needs of agriculture, are made by the Federal land banks through national farm loan associations, which are local farmer-owned and farmer-controlled cooperative organizations established throughout the nation. Information may be obtained from any national farm loan association or from the Federal land bank located in any of the cities listed above.

Farmers' cooperative marketing, purchasing, and farm business service associations may borrow from the banks for cooperatives for a wide variety of purposes including loans for working capital purposes, the marketing and storage of farm products, and for the construction of buildings and equipment. Information regarding such loans may be obtained from any district bank for cooperatives, located in the above cities, or from the Central Bank for Cooperatives, Washington, D. C.

